

STATE OF HAWAII
STATE PROCUREMENT OFFICE
HONOLULU, HAWAII

Legal Ad Date: April 17, 1997

INVITATION FOR BIDS
NO. IFB-97-177-H

SEALED BIDS
FOR
FURNISHING

OPERATION AND MAINTENANCE SERVICES
FOR
LOWER HAMAKUA DITCH
DEPARTMENT OF AGRICULTURE

will be received up to and opened at 2:00 p.m. (HST)
on
May 14, 1997

in the State Procurement Office, Kalanimoku Building, 1151 Punchbowl Street, Room
416, Honolulu, Hawaii.

Questions relating to this bid solicitation may be directed to Mrs. Corinne
Higa, telephone (808) 586-0568, facsimile (808) 586-0570.

ROBERT J. GOVERNS, CPPB
Procurement Officer

WAGE CERTIFICATE

(For Service Contracts)

Subject: IFB/RFP No.: _____

Title of IFB/RFP: _____

(To be completed by offeror)

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$5,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work; and
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by Section 103-55, HRS.

Offeror _____

Signature _____

Title _____

Date _____

06/03/96

OPERATION AND MAINTENANCE SERVICES
OF LOWER HAMAKUA DITCH
DEPARTMENT OF AGRICULTURE
IFB-97-177-H

Procurement Officer
State Procurement Office
State of Hawaii
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: _____

Respectfully submitted,

Telephone No.: _____

Fax No.: _____

Exact Legal Name of Offeror

Payment address, if other than
street address at right:

Authorized Signature (Original)

Title

Hawaii General Excise Tax Lic.
I.D. No.: _____

Street Address

Social Sec. or Federal I.D. No.: _____

City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

Offeror is: ___ Individual ___ Partnership ___ Corporation ___ Joint Venture

State of incorporation: Hawaii _____ *Other _____

*If "other", is corporate seal available in Hawaii? ___ Yes ___ No

The following offer is hereby submitted for operation and maintenance services of the Lower Hamakua Ditch system on the island of Hawaii from its intakes to the ditch terminus at Paauilo, as specified herein:

<u>Bid Price Per Month</u>	<u>No. of Months</u>	<u>Total Bid Price</u>
\$ _____	24	\$ _____

Percentage of bid price per month which is for labor costs: _____%

Permanent Office Address: _____

Telephone No.: _____

Insurance Coverages (if applicable):

	<u>Carrier</u>	<u>Policy No.</u>	<u>Agent</u>
Commercial General Liability	_____	_____	_____
Workers' Compensation	_____	_____	_____
Temporary Disability	_____	_____	_____
Prepaid Health Care	_____		
Unemployment Insurance: State of Hawaii Labor No. _____			

Companies and/or government agencies for which bidder has provided or is currently providing refuse collection service:

Name, address, contact person, and telephone number:

Offeror _____

SPECIFICATIONS

SCOPE

The Contractor shall provide all labor, materials, services, equipment, and incidentals necessary to operate and maintain the Department of Agriculture's Lower Hamakua Ditch's irrigation ditches, tunnels, flumes, reservoirs and appurtenant works in accordance with these specifications at the location shown on the attached plans.

DESCRIPTION OF WORK

1. The work shall include keeping the ditch, water tunnels, stream intakes, flumes, pipelines, reservoirs, and its related facilities in good condition, free of weeds, debris, sedimentation, blockages, and other obstacles. Work shall also involve cleaning or clearing of the "throw-away" sites, waste gates, overflow sites, sand traps, parshall flumes, siphon flush valves, weirs, stream intake structures, and any other sites that affect the water flow.
2. Contractor shall perform routine preventive maintenance functions to allow minimum flow within the system and to allow for continual water service to those water users with historic use rights. These include the areas of Paauhau, Honokaa, Paauilo, and East 23 reservoir, together with the State's right at the feedlot. The service pipeline to the Haina Mill hydropower plant is not a part of this work, except to allow wasting of stormflows.
3. General repair work to existing flumes, pipes, ditch linings, and other related facilities, not requiring a contractor's license, will be only required on an as needed basis and shall only be done with the approval of the Officer-in-Charge.

Major repairs to the system and its related facilities shall not be required of the Contractor; however, Contractor shall notify the Officer-in-Charge immediately of any site where major repairs are required and shall with the prior approval of the Officer-in-Charge, perform general repairs only to maintain the minimum flows.

4. During high rainfall or storm periods which threaten the integrity of the system and its related facilities, a crew composed of two men shall be deployed to monitor the system and its facilities to allow passage of major flows that may enter the ditch from former sugar cane fields or open spaces. Further, the crew shall control the release of storm waters from reservoirs to prevent overflow or overtopping. Special care shall be also exercised to prevent flooding and release of debris onto State highways, which parallel the system.
5. Contractor shall maintain in good condition access roadways and cross drainage ways, but security into and over such access are restricted to the Contractor only.
6. The intake structures shall be replaced or repaired by the Contractor under this project. The work consists of removing damaged inlet gratings and re-secure grating frames to concrete intake box. No extra compensation will be made, but the cost of such work shall be included in the total price.

PERMITS

If applicable, the Contractor shall procure all permits, fees and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.

PUBLIC CONVENIENCE AND SAFETY

The Contractor shall at all times conduct his work in a manner to assure the least possible obstruction to public traffic. The safety and convenience of the general public and of the residents along the project, and the protection of all persons and property shall be provided for by the Contractor.

The Contractor shall take all necessary precautions to protect all his workmen and all other personnel from injuries. The rules and regulations promulgated by the Occupational Safety and Health Acts (OSHA) are included by reference and are applicable and made a part of these specifications.

PROTECTION AND RESTORATION OF PROPERTY

The Contractor shall be responsible for the preservation of all public and private property.

1. The Contractor shall be responsible for all damage or injury to property of any character, during the prosecution of the work, resulting from any act, omission, neglect, or misconduct in Contractor's manner or method of executing the work, or due to Contractor's defective work or materials.
2. When or where any direct or indirect damage or injury is done to public or private property by or on account of any act, omission, neglect, or misconduct of the Contractor, his employees or agents, the Contractor shall, at his own expense, restore, repair, or rebuild such property to a condition similar or equal to that existing before such damage or injury was done, or make restitution in an acceptable manner.

SECURITY

In accordance with the security requirements of the State, all Contractor's personnel entering and occupying secured areas within private property are required to visibly display an identification badge.

WORK SCHEDULE

Work specified herein shall be performed Monday through Friday between the hours of 7:00 a.m. and 3:30 p.m. No work shall be performed on weekends and on State holidays except in case of emergency operations during abnormal water flow throughout the system. No extra compensation for such hours will be made, but such work shall be included in the total price of the bid.

INSPECTIONS

All work is subject to a monthly inspection by the State; however, during the course of the month, the Contractor may request the Officer-in-Charge to do additional inspections.

ENVIRONMENTAL

The Contractor shall comply with Federal, State and County laws and regulations regarding the control of dust, noise and hazardous materials at the work place.

The following are requirements for pollution control in performing all work activities:

1. Rubbish Disposal
 - a. No burning or burying of debris and/or waste materials shall be permitted on the project site.

- b. All unusable debris and waste materials shall be hauled away to an appropriate off-site dump area that meet the requirements of local ordinances and regulations applicable to refuse disposal. During loading operations, debris and waste materials shall be watered down to allay dust.
- c. Cleanup shall also include the collection and removal of all waste paper and wrapping materials, cans, bottles, construction waste materials and other objectionable materials. Cleanup shall be done on a regular schedule; however, the frequency of cleanups shall increase when more rubbish/debris is produced due to inclement weather.

2. Dust

- a. Dust shall be kept within acceptable levels at all times including non-working hours, weekends and holidays in conformance with Chapter 60 - Air Pollution Control, as amended, of the State Department of Health Administrative Rules.
- b. The method of dust control and all costs incurred therefor shall be the responsibility of the Contractor.
- c. The Contractor shall be responsible for all damage claims due to negligence on the part of the Contractor.

3. Noise

- a. Noise shall be kept within acceptable levels at all times in conformance with Title 11, Administration Rules, Chapter 43, Community Noise Control for Oahu, State Department of Health. The Contractor shall obtain and pay for a community noise permit from the State Department of Health when the equipment or other devices emit noise at levels exceeding the allowable limits.
- b. All internal combustion engine powered equipment shall have mufflers to minimize noise and shall be properly maintained to reduce noise to acceptable levels.

4. Erosion

During any erosion preventive or clearing operations, the grade of the land shall be maintained so as to preclude any damages to adjoining property from water and eroding soil. Temporary berms, cut-off ditches, and other provisions which does not require a contractor's license and which may be required because of the Contractor's method of operation shall be installed at no cost to the State. Drainage outlets and silting basins shall be constructed and maintained as shown on the plans to minimize erosion and pollution of waterways during construction.

5. Others

- a. Wherever trucks and/or vehicles leave the site and enter surrounding paved streets, the Contractor shall prevent any material from being transferred or dropped onto the pavement.
- b. Trucks hauling debris shall be covered as required by the Public Utilities Commission (PUC) regulations.
- c. Except in an emergency, such as a mechanical breakdown, all vehicle fueling and maintenance shall be done in a designated area. A temporary berm shall be constructed around the area when runoff can cause problems.

6. Suspension of Work

Violation of any of the above requirements or any other pollution control requirements shall be cause for suspension of the work creating such violation. No additional compensation shall be due the Contractor for remedial measures to correct the offense. Also, no extension of time will be granted for delays caused by such suspension.

If no corrective action is taken by the Contractor within seventy-two (72) hours after a suspension is ordered by the Officer-in-Charge, the State reserves the right to take whatever action is necessary to correct the situation and to deduct all costs incurred by the State in taking such action from monies due the Contractor.

LAWS TO BE OBSERVED

The Contractor shall at all times observe and comply with all Federal, State, City and County laws, ordinances, rules and regulations which in any manner affect those engaged or employed in the work, the materials used in the work, and the conduct of the work. The Contractor shall also comply with all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the work. Any reference to such laws, ordinances, rules and regulations shall include any amendments thereto.

SPECIAL PROVISIONS

SCOPE

The furnishing of services for the operation and maintenance of the Lower Hamakua Ditch on the island of Hawaii for the Department of Agriculture, shall be in accordance with these Special Provisions, the attached Specifications, and the General Terms and Conditions dated September 1, 1995 and included by reference. Copies of the General Terms and Conditions are available at the State Procurement Office, Room 416, 1151 Punchbowl Street, Honolulu, Hawaii 96813, and the DAGS Hawaii District Office, 75 Aupuni Street, Hilo, Hawaii 96720.

OFFICER-IN-CHARGE

For purposes of this contract, Mr. Paul Matsuo, Administrator of the Agricultural Resource Management Division, telephone (808) 973-9473, is designated Officer-in-Charge.

TERM OF CONTRACT

Contractor shall enter into a twenty-four (24) month contract for furnishing services specified herein for the period July 1, 1997 to June 30, 1999.

This project is a limited-term operation and shall be terminated upon a sixty (60) day written notice by the State. The future operation of the ditch will be determined upon the settlement by the order of judgement from the Bankruptcy Court.

MULTIPLE OR ALTERNATE OFFERS

An offeror shall submit only one offer in response to a solicitation. If an offeror submits more than one bid in response to this solicitation, then all such offers shall be rejected.

Similarly, an offeror shall submit only one offer for each line item (if any) of a solicitation. If an offeror submits more than one offer per line item, then all offers for that line item will be rejected.

BIDDER QUALIFICATION

Office Location. Contractor shall have a permanent office location from where he conducts business and where he will be accessible to telephone calls for complaints or requests that need immediate attention. An answering service is acceptable provided response is within four (4) hours from the State's initial call. Permanent office location shall be stated on Offer Form, page OF-2.

Vehicle License and Inventory. Contractor must have at least one person possessing a vehicle driving license from the County of Hawaii for class 3 or 4 with endorsement "T". Further, the Contractor shall have in his vehicle inventory a minimum of a backhoe or a hopto, a frontload tractor, a dozer, a crane, and a tanker (truck or trailer), or provide proof on his ability to acquire through sub-contracting or leasing such equipment to the satisfaction of the State. Prior to award of the contract, Contractor shall provide a list to the State of Contractor's vehicle inventory and whether the vehicles are owned, being leased or sub-contracted.

BID PREPARATION

Offer Form, Page OF-1. Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If Offer Form, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the offeror's intent to be bound.

Site Inspection. Prior to submittal of the bid, bidders may inspect the project to thoroughly familiarize themselves with existing conditions, and the extent and nature of work to be performed. No additional compensation, subsequent to bid opening, will be allowed by reason of any misunderstanding or error regarding site conditions or work to be performed.

A site inspection is not mandatory; however, submission of a offer shall be evidence that offeror understands the scope of the project and will comply with specifications herein, if awarded the contract. Bidder shall contact the Officer-in-Charge at (808) 973-9473 to arrange for an inspection tour.

Tax Liability. Work to be performed under this solicitation is a business activity taxable under Chapter 237, Hawaii Revised Statutes (HRS), and vendors are advised that they are liable for the Hawaii General Excise tax (GET) at the current 4% rate. If, however, an offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

Tax Equalization Provision. For evaluation purposes, pursuant to §103-53.5, HRS, as amended, the price offer submitted by an offeror not liable for the GET under this solicitation, shall be increased by the current rate of the GET. Under no circumstance shall the dollar amount of the award include the aforementioned adjustment.

Bid Price. Bid price shall include labor, equipment, supplies, all applicable taxes, and any other costs incurred to provide services specified.

Tax Clearance. An **original or certified copy** of a tax clearance issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with offeror's sealed offer by the due date and time. The tax clearance shall be obtained on the attached two-part **Tax Clearance Application (Form A-6)** that combines DOTAX and IRS tax clearances.

The application may be mailed in or walked in to either the DOTAX or the IRS. The addresses for DOTAX and IRS district offices are listed on Form A-6. There is limited walk-in service at IRS Maui and Hawaii district offices, and none on Kauai.

The DOTAX and IRS encourage the use of their mail-in service, in lieu of walk-in service. It is recommended that the application be mailed to DOTAX where it will be processed and forwarded to the IRS. The process should be completed within twenty-one (21) calendar days. Use of the walk-in service may result in waiting in line at both agencies.

For offeror's information, the tax clearance is valid for forty-five (45) days. If the DOTAX approves a tax clearance certificate on one date and the IRS approves it on another date, the 45-day period will begin with the later date.

The tax clearance submitted with the sealed offer must be valid on the solicitation legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

For the purpose of this solicitation, a completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6 is acceptable, if offeror is unable to obtain a tax clearance by mail in time to include it with the sealed offer. See attached pink NOTICE for the SPO Form TEMP B. Prior to award of any contract, the State requires the tax clearance.

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING below for information on the tax clearance requirement for final payment.

Offer Guaranty. An offer guaranty or deposit is not required for this IFB.

References. Each bidder shall provide the names and addresses of companies or government agencies for whom similar services was or is being provided and who can attest to the reliability of the bidder's service and/or personnel. The State reserves the right to contact the references to inquire about past performance.

Insurance. Bidder shall provide insurance information as requested on Offer Form, page OF-2.

STATUTORY REQUIREMENTS OF SECTION 103-55, HAWAII REVISED STATUTES (HRS)

Refer to Section 2.8 of the General Terms and Conditions. Bidder shall complete and submit the attached wage certification by which bidder certifies that the services required will be performed pursuant to Section 103-55, HRS.

Bidders are advised that Section 103-55, HRS, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Bidders are further advised that in the event of an increase in wages for public employees performing similar work during the period of the contract, Contractor shall be obliged to provide wages not less than those increased wages.

Contractor shall be further obliged to notify his employees performing work under this contract of the provisions of Section 103-55, HRS, and of the current wage rates for public employees performing similar work. The Contractor may meet this obligation by posting a notice to all employees, or the Contractor may include such notice with each paycheck or pay envelope furnished to the employee.

The State has determined that work to be done under this contract is similar to the public employee General Laborer II and III positions; therefore, the Contractor will be required to pay their employees the prevailing State wages for work performed under this contract. Effective January 1, 1995, the wage rate for the General Laborer II and III positions are \$9.98 per hour and \$10.58 per hour, respectively. Accordingly, bidder should consider the aforementioned wage rate when preparing his/her offer.

The public employee General Laborer II position performs a variety of semi-skilled manual work tasks involved in the road, building and other maintenance projects or refuse collection work involving continuous heavy physical labor as a major work assignment, and performs other related duties as assigned.

The public employee General Laborer III position in addition to performing a variety of semi-skilled manual work tasks as the major work assignment, supervises the work of a crew in performing a variety of unskilled and semi-skilled manual labor work tasks.

CONTRACT ADJUSTMENT PURSUANT TO SECTION 103-55, HRS

At the release of this bid solicitation, only the current wages of State employees performing similar work are known. Should General Laborer II wages increase during any period of the contract, the Contractor may request for an increase in contract price. The increase requested must result in increase in wages to the Contractor's employees performing the work herein, including any increase in costs for benefits required by law that are automatically increased as a result of increased wages, such as federal old age benefits, workers' compensation, temporary disability insurance, unemployment insurance, and prepaid public health insurance.

Contractor's request for increase must meet the following criteria:

1. At the time of a request, Contractor must provide documentation to shown that he is in compliance with Section 103-55, HRS, i.e., its employees are being paid no less than the known wage of the State position listed herein. Documentation shall include the employees' payroll records and a statement that the employees are being utilized for this contract.
2. At the time of bidding, the Contractor must have specified on the appropriate Offer Form page, the percentage of the bid price per month that represents labor costs. If the Contractor fails to specify the percentage, the Contractor's request for increase will not be considered.
3. Request for increase must be made in writing to the State Procurement Office on a timely basis.
 - a. Request for increase for the initial contract period must be made as soon as practicable after the State wage agreements are made public. Approved request will be retroactive to the date of increase for the State employees.
 - b. Request for increase for a supplemental period of the contract must be made prior to the start of the supplement. Contractor is to call the Purchasing Specialist named on the cover of this Invitation for Bids to obtain the current wage information.

If the Contractor meets the above criteria in its request for contract price increase, the following formula shall be used to calculate the increase:

First Increase: $WI = (XY) (Z) + FB$

Subsequent Increase(s): $WI = AZ + FB$

whereby,

- WI = Dollar amount increase in bid price per month due to increase in State wages;
- X = Original contract price per month;
- Y = Percentage of bid price per month designated by Contractor as representing labor costs;
- Z = Percentage increase in wages paid to State employees performing similar work;
- FB = Additional costs for those benefits required by statute, directly related to the allowed increase in wages paid to Contractor's employees;
- A = That portion of the contract amount representing wages (this amount is X times Y plus any increase(s) in contract price per month resulting from increase in Statewages).

The increase shall be reflected in either a contract modification or in the supplemental agreement issued for any extended period of the initial contract.

CONTRACT TERMINATION FOR CONVENIENCE

The State reserves the right to terminate this contract in whole or in part, for the convenience of the State when the interest of the State so requires, e.g., when the State determines that the requirement no longer exists as a result of reorganization, consolidation, down-sizing, etc.

The Procurement Officer will give sixty (60) days advance written notice of termination to the Contractor specifying the extent of work to be terminated (in whole or in part). The Contractor shall incur no further obligations with the terminated work and on the date set in the notice, the Contractor will stop work to the extent specified. The Contractor will be compensated for services rendered and/or supplies delivered prior to the termination date in accordance with Section 6.13 of the General Terms and Conditions. Use of this section in no way implies that the State has breached the contract by exercise of the Termination for Convenience clause.

METHOD OF AWARD

Award, if any, shall be made to the responsible and responsive offerer submitting the lowest total bid price.

Prior to awarding the contract, the State will require certification of the following insurance coverages:

Workers' Compensation
Temporary Disability
Unemployment Insurance
Prepaid Health Care

CONTRACT EXECUTION

Successful bidder receiving award of \$10,000 or more shall be required to enter into a formal written contract. No performance or payment bond is required for this contract.

No work is to be undertaken by the Contractor prior to the commencement date. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the starting date.

LIABILITY INSURANCE

Contractor shall maintain insurance acceptable to the State in full force and effect throughout the term of this contract. The policy or policies of insurance maintained by the Contractor shall provide the following limit(s) and coverage(s):

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (occurrence form)	\$300,000 combined single limit per occurrence for bodily injury and property damage
Comprehensive Automobile Liability	BI: \$100,000 per occurrence PD: \$ 50,000 per occurrence

Each insurance policy required by this contract shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, State Procurement Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."
2. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

Each insurance policy shall be written by insurance companies licensed to do business in the State or meet Section 431:8-301, Hawaii Revised Statutes, if utilizing an insurance company not licensed by the State of Hawaii.

The Contractor agrees to deposit with the State of Hawaii, on or before the effective date of this contract, certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefor on deposit with the State during the entire term of this contract. Upon request by the State, Contractor shall furnish a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

INVOICING

Contractor shall submit a monthly invoice, original and three copies, for services rendered to:

Department of Agriculture
P. O. Box 22159
Honolulu, HI 96823-2159

Attention: Mr. Paul Matsuo

All invoices shall reference the contract number assigned to the contract.

The tax clearance submitted with Contractor's invoice for final payment requires both DOTAX and IRS approvals. The clearance submitted earlier is not acceptable for final payment purposes. Contractor must obtain a new tax clearance from DOTAX and IRS and it must be an original (certified copy is not acceptable), not over 45 days old, with box 3.a. of the **Tax Clearance Application (Form A-6)** completed for a specific contract, purchase order, or job number.

PAYMENT

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice or performance of services to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract which requires payment within a shorter period or interest payments not in conformance with statute.

RE-EXECUTION OF WORK

The Contractor shall re-execute any work that fails to conform to contract requirements and shall immediately remedy any defects due to faulty workmanship by the Contractor. Should the Contractor fail to comply, the State reserves the right to engage the services of another company to perform the services and to deduct such costs from monies due to the Contractor.

REMOVAL OF CONTRACTOR'S EMPLOYEES

Contractor agrees to remove any of its employees from services rendered to the State, upon request in writing by the contracting officer.

LIQUIDATED DAMAGES

Refer to Section 6.12 of the General Terms and Conditions. Liquidated damages is fixed at the sum of FIVE HUNDRED DOLLARS (\$500.00) for each and every calendar day the Contractor delays in the completion of any item of his contract after the required date of said completion.

RIGHTS AND REMEDIES FOR DEFAULT

In the event the Contractor fails, refuses or neglects to perform the services in accordance with the requirement of these Special Provisions, the Specifications, and General Terms and Conditions herein, in addition to the recourse stated in Section 6 of the General Terms and Conditions, the State reserves the right to purchase in the open market, a corresponding quantity of the services specified herein and to deduct from any monies due or that may thereafter become due the Contractor, the difference between the price named in the contract and the actual cost thereof to the State. In case any money due the Contractor is insufficient for said purpose, the Contractor shall pay the difference upon demand by the State. The State may also utilize all other remedies provided by law.

ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS

Approvals. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

General Terms and Conditions Not Applicable. Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection are not applicable to Requests for Proposals.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.